Feasibility Study Guidelines

for Information Technology Projects
in Washington State Government

May 1992

updated May 1996

Feasibility Study Guidelines
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Key Impacts of Feasibility Study Guidelines

Streamlines the creation of the feasibility study in order to add value to the decision-making process based on the results of agency planning and design efforts.

Recognizes the role of the feasibility study in supporting funding requests for implementation and construction of proposed information technology (IT) projects.

Introduces the concept of time value of money by incorporating Net Present Value and Internal Rate of Return financial measures in the suggested format of the Cost/Benefit Analysis.

Note: Net Present Value is incorporated for financial decision-making purposes only and should not be used to define funding levels in future years of a project.

Provides formats for clear and concise cost and benefit rationale to assist in the project evaluation process.

Outline for an IT Feasibility Study

Agency management must make a crucial decision during the early stages of an information technology (IT) project: whether to seek funds to support full-scale development and implementation (Type 2 funding, as defined in Section 6 in budget instructions published by the Office of Financial Management (OFM)), or to suspend project activities due to a lack of clear benefits (tangible, intangible, or both), and/or overwhelming risks. The feasibility study is a structured, modular process to accumulate the information needed to support stakeholders in making this crucial decision.

An agency will prepare the feasibility study when sufficient functional and technical design has been completed to articulate the major objectives of a project and define the work necessary to achieve those objectives with a high degree of confidence. This means an agency has completed a Project Definition, a Requirements Analysis, and a General Design. As a result of this work, the agency has far more information in hand about the expected costs, benefits, and risks of a proposed project than it did when preparing the Project Definition. It is critical this new information be applied to a "go/no go" decision before committing significant funds to development.
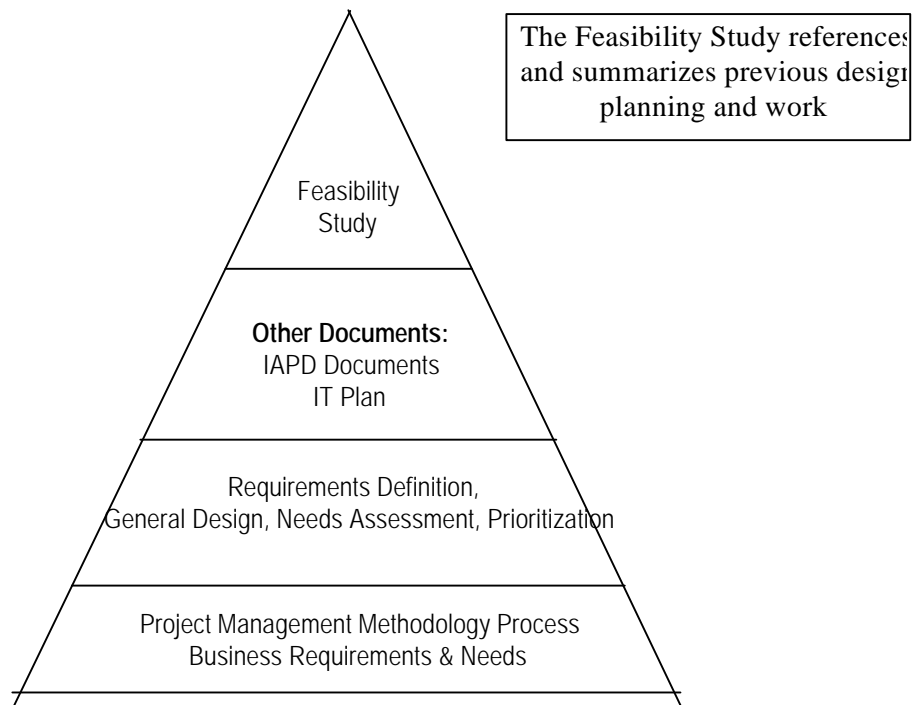
Components of the Feasibility Study

The feasibility study builds on analyses and information already collected by the agency during the initial stages of a project (see Exhibit 1). As noted earlier, the agency should have already completed a Project Definition, a Requirements Analysis, and a General Design. The feasibility study summarizes the findings of these project phases in a way that supports sound decision making. In particular, the feasibility study replicates the structure of the Project Definition and adds a minimal number of new sections. The intention is that where a Project Definition has already been prepared (to support Type 1 funding requests as defined in Section 6 of the budget instructions published by OFM), it will be updated and expanded where necessary. Much of the supporting detail will be included by reference to other attached documents.

For those projects involving nonstate, funding sources (i.e. federal grants, federal financial participation, other grant funds, etc.), it is acceptable to utilize the documents required by the various funding sources as the basis for the information required in the feasibility study. The agency should provide the Office of Information Technology Oversight (OITO) of the Department of Information Services (DIS) the other document, as well as a crosswalk between the feasibility study content requirements and the funding request, to ensure the information requirements of the feasibility study are met. For example: a federal Implementation Advance Planning Document (IAPD) may be used to provide information required in the feasibility study.

In order to focus on the most critical information, OITO recommends one to three pages for each of the following components. The individual points under each component category are intended to provide guidance as to the type of information required. Each point does not have to be specifically addressed unless it is applicable to the project being proposed.

Exhibit 1
Building a Feasibility Study

The Feasibility Study references and summarizes previous design planning and work

Feasibility
Study

Other Documents:
IAPD Documents
IT Plan

Requirements Definition,
General Design, Needs Assessment, Prioritization

Project Management Methodology Process
Business Requirements & Needs

Sections in**bold** appear in the Project Definition.

   (1)   <u>Executive Summary</u>:
            Provide a brief summary of the business objectives, approach, expected costs, benefits, and risks of the proposed project.

   (2)   <u>Background and Needs Assessment:</u>
            Discuss the reasons for the project proposal, such as:

- **Business environment**
- **Business need(s)**
- **Business opportunities**
- **Business service goals**
- **Statutory requirements**
- **Other**

(3) **Objectives (as applicable):**
Discuss the primary objectives of the project, such as:

- **Problems solved**
- **Service delivery enhancements**
- **Response to statutory requirements**
- **Other**

(4) **Impacts (as applicable):**
Identify the entities which will be impacted by the proposed project, such as:

- **Inter-agency**
- **Intra-agency**
- **Program(s)**
- **Subprogram(s)**
- **Customers of agency activities (i.e., clients, constituencies, taxpayers, etc.)**
- **Other**

(5) **Organizational Effects (as applicable):**
Discuss how implementation of the project may affect the agency's organization, such as:

- **Impact on work processes**
- **Training needs**
- **Job content**
- **Impact on organizational structure**
- **Other**

(6) Proposed Solution:
Described the proposed solution that will meet the objectives outlined above. Present the solution in terms of:

- Specific work products
- Technical tools used to support the solution
- Major functions to be provided
- New organizational structures and processes necessary to support implementation.

(7) Major Alternatives Considered:
Present the major alternatives considered and contrast these with the proposed solution. Note that the current state can be considered one alternative. Describe why the alternatives not chosen were rejected.

(8) Conformity with Agency Strategic IT Plan:
Discuss how the proposed project supports the agency strategic IT Plan.

- **Strategic focus (business and IT goals)**
- **Effect on technology infrastructure**
- **Other**

(9) Project Management and Organization:
Describe the project management approach.

- **Roles and responsibilities**
- **Decision-making process**
- **Management qualifications**
- **Project team organization**
- **Quality assurance strategies**

(10) Estimated Timeframe and Work Plan:
Provide an estimated timeframe, by project phase, for the development of the entire project through implementation. Identify major tasks and the staff resources required for each project phase. Identify key decision points.

(11) Incremental Costs:
Detail the project's estimated incremental costs using the suggested formats found in Attachment 1 as a guide (Forms 1-5). Provide both Development and Operations cost estimates. Costs should be presented for at least five years of operation after implementation or until pay back for the system is achieved.

Incremental costs are the difference between costs of current methods of operation and cost of implementing and operating new methods. Forms 1-5 of Attachment 1 illustrate a method for determining incremental costs.

The estimates of costs are expected to be stated with a very high degree of confidence. As a result, costs should be presented as single point, not-to-exceed limits. Future dollars should reflect the best estimate of what the cost levels will actually be in the future periods. Net Present Value (effect of the projected costs and benefits stated in today's dollars), Internal Rate of Return, and break-even period calculations will be derived from the projected future expenditures.

Provide rationale for the cost estimates and reference documents containing the detailed estimates and work breakdown structures. The rationale formats are provided in Forms 1-5 as a guide. As appropriate, reference the costs incurred by similar projects in other states, comparative projects in Washington, etc.

(12) Benefits:
Present the quantitative tangible expected benefits from the project using Forms 1-5 as a guide. Future estimates should reflect the benefit levels actually expected in the future periods. Net Present Value (effect of the projected costs and benefits stated in today's dollars), Internal Rate of Return, and break-even period calculations will be derived from these amounts. Provide justification rationale for the benefit estimates. Describe how a

baseline and measurements will be established to confirm each benefit. Also provide a narrative of the intangible benefits associated with the project. Form 5 is provided as a guide for both the tangible and intangible benefits. Components (11) and (12) of the feasibility study provide cost and benefit information to assist in the evaluation of the proposed project.

(13) Risk Management:
Present the expected areas of high risk to this project. Examine risks in the following categories, where applicable:

- Functional risk
- Organizational risk
- Stake holders
- Complexity
- Project planning
- Project resources
- Project schedule

Describe how these risks will be managed. Refer to specific tasks in the work plan requested in (10) which apply resources to address the risks.

(14) Forms 1-5 found in Attachment 1 are a suggested approach to the cost and benefit analysis. They provide a structured, calculated method for delivering data in a usable format. In addition to Total Outflow, Total Inflow, Net Cash Flow, and Net Present Value, the cost and benefit analysis must be detailed for each proposed project option, for each fiscal year:

Costs	Benefits
Project Development Costs, by Services and Acquisition	Revenues and Reimbursements
Project Operations Costs	Cost Reductions and Cost Avoidances

A diskette containing these forms and logic is available upon request from OITO in Microsoft® Excel 5 format. Call the OITO information number at (360) 902-3557, or download the spreadsheet CBAFORMS (instructions included) from the IT Policy Manual Home Page at *http://olympus.dis.wa.gov/pub/info_services/it_manual*

Attachment 1: Cost/Benefit Analysis Forms

The Electronic Version:
A Microsoft® Excel 5 spreadsheet, CBAFORMS.XLS is available either through the Internet or by diskette.
Call the OITO information number at (360) 902-3557, or download the spreadsheet CBAFORMS
(instructions included) from the IT Policy Manual Home Page:

> http://olympus.dis.wa.gov/pub/info_services/it_manual

The five electronic forms are stored as worksheets in CBAFORMS.XLS. The worksheet function is not
available in prior versions of Microsoft® Excel and other spreadsheets, and may be unreadable. Call OITO if
assistance is needed.

In Microsoft® Excel 5, navigate between sheets by clicking on the Forms tabs in the lower left of the
spreadsheet display. You may need to customize printed output for your computer configuration. Data input
cells in the electronic spreadsheet are displayed in blue.

The forms can be completed by hand calculation, by carrying forward the total amounts as instructed below.
The last step requires calculation of the net present value and internal rate of return for the net cash flow of the
proposed project option under analysis. These usually require an automated tool.

Forms:
In the Microsoft® Excel 5 version, Form 3 requires no data input. Form 1 requires entering the fiscal years,
the agency name, the project/option title, and the Cost of Capital (see (7) below for accessing the Cost of
Capital). Form 2, Form 4, and Form 5 require input. The form labeled Instructions is a reference list of
tables.

The forms used to create the CBA are:

Form 1	*Summary, Cost Benefit and Cash Flow Analysis*
Form 2	*Project Detail Cost Flow Analysis*
Form 3	*Summary, Operations Incremental Cost of Project*
Form 4	*Current versus Proposed Method Operations Costs*
Form 5	*Benefits Cash Flow Analysis*

The Analysis
This analysis consists of a workbook of five forms which are the suggested approach from the Office of
Information Technology Oversight (OITO) for calculating the financial return of a proposed information
technology project. These forms are available in Microsoft® Excel 5 from OITO. The electronic forms will
calculate the required measures of financial return from information you provide.

You will need to gather the costs and benefits of each way of developing and implementing the proposed
project. These are the project options under analysis, and ideally each should undergo a full cost benefit
analysis (CBA). Completing Form 1 through Form 5 will provide the costs and benefits for one way of
implementing a project.

The option to "do-nothing" has costs and benefits too. The costs of doing-nothing are the costs of operations,
over time, as currently performed, and are used in this analysis in Form 3 and Form 4, *Operations*

Incremental Costs of Project, and *Current versus Proposed Method Operations Cost*. Completing Form 3 and Form 4 can provide the costs of the option of doing-nothing.

This distinction is important in completing Form 3 and Form 4 in the spreadsheet. Attention needs to be paid to the method of project implementation, particularly to the time of operational cut-over, for example, whether in parallel or sequential. The current operational costs used in Form 3 are the costs of continuing to do business as now performed, and the project operational costs are the costs of operation as if the project were implemented. The net difference between these two operational methods is the operational net cost/benefit, not the costs of operating both systems in parallel, or concurrently.

The cost code structure used throughout the analysis is the State of Washington Office of Financial Management's (OFM) code structure. These were used for consistency within the state's budgeting requirements, and their use provides comprehensive budget analysis. Use of these codes is desirable but not necessary. For more information on the OFM budget and cost codes structures, see OFM *1997-1999 Operating Budget Instructions*, Chapter 4. Using the state fiscal year calendar (July through June) will provide consistency with state fiscal and biennial budgeting cycles.

Instructions

1. Open the spreadsheet and go to Form 1. Enter your agency, project/option title, and fiscal years relevant to this option (if different from 1997, 1998 and so forth). These fields show in blue. Your entries will carry forward to the remaining forms.

2. Go to Form 2. Enter each year's project development costs of the proposed project in Form 2, *Project Detail Cost Flow Analysis*. Development costs typically occur in the first five years of the project. Using the state fiscal year calendar (July through June) will provide consistency with state fiscal and biennial budgeting cycles.

3. Enter each fiscal year's costs of operations of the current method of doing business and the proposed method of doing business in Form 4, *Current versus Proposed Method Operations Cost*. The proposed project's operations costs are defined as if the project were implemented, not as if the current and proposed methods were parallel operations.

    In Form 4, use columns (a) and (b) for each fiscal year. Column (c) is the calculated difference between the current operations cost for that fiscal year, and proposed project operations cost, if the project were implemented, for that fiscal year. These are the Operations Incremental Costs of the Project, which may be negative or positive.

    A negative result in column (c) means the project is actually less expensive to operate than the current operational method. A more likely view of the project may have initially high but diminishing project costs as production stabilizes.

    In the Microsoft® Excel 5 version, these incremental costs are calculated for each fiscal year by cost code and by total for that year. Each fiscal year's total incremental costs are carried forward to Form 3, *Operations Incremental Costs of Project*.

(Instructions for manual analysis only) If you are creating these forms by hand, enter the difference between column (a) and (b) in column (c), and calculate the total of column (c) for each fiscal year. Carry forward each fiscal year's total for column (c) to Form 3.

4. Enter a description and the amounts of other benefits of the proposed project in Form 5, Benefits Cash Flow Analysis. These may include cost avoidance, cost reduction, increased revenue, or tangible public benefits. The Microsoft® Excel 5 version will calculate the sum of revenue, reimbursements, cost avoidance, and so forth.

5. *(Instructions for manual analysis only)* Calculate the totals of all columns. Carry the row and column totals from column (c) of Form 4 to Form 3 under "Operations Phase." Carry the column totals from Form 3 "Total Outflows" to the corresponding line of Form 1. Carry the column totals from Form 5 "Total Inflows" to the corresponding line in Form 1.

6. *(Instructions for manual analysis only)* Deduct the Total Outflow on Form 1 from Total Inflows for each fiscal year. Enter the results on the line labeled "Net Cash Flow".

7. On Form 1, enter the Cost of Capital (equivalent to the interest rate paid by state government to finance borrowing), under the heading "Cost of Capital". Contact the State Treasurer's Office, Division of Debt Management, at (360) 664-0892 or (360) 586-4647 for the current cost of capital. The rate of 6.25% is supplied in the electronic version but is modifiable.

8. *(Instructions for manual analysis only)* Use the line labeled "Net Cash Flow" to calculate the Incremental NPV, the Net Present Value (NPV $) and the Internal Rate of Return (IRR%). Enter the results of these calculations on Form 1.

9. Repeat completing these forms for each project/option to the current way of doing business you are considering.

Cost/Benefit Analysis Forms

Form 1/ Summary, Cost Benefit and Cash Flow Analysis	Agency Agency Name	Project Option Project Title

31-May-96

Suggested Format

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	GRAND TOTAL
TOTAL OUTFLOWS	0	0	0	0	0	0	0	0	0	0	0
TOTAL INFLOWS	0	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW	0	0	0	0	0	0	0	0	0	0	
INCREMENTAL NPV	NA	0	0	0	0	0	0	0	0	0	
Cumulative Costs	NA	0	0	0	0	0	0	0	0	0	
Cumulative Benefits	NA	0	0	0	0	0	0	0	0	0	

Cost of Capital	Breakeven Period - yrs.*		NPV $	IRR %
	Non- Discounted	Discounted		
6.25%			0	#NUM!

* - "Non-Discounted" represents breakeven period for cumulative costs and benefits (no consideration of time value of money).

* - "Discounted" considers effect of time value of money through incremental Net Present Value.

Form 2/ Project Detail Cost Flow Analysis   Agency Agency Name   Project Option   Project Title

31-May-96

Suggested Format

FISCAL COSTS, PROJECT DEVELOPMENT	OFM Object Codes	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	GRAND TOTAL
					DEVELOPMENT PHASES							
Salaries and Wages	(A)	0	0	0	0	0	0					0
Employee Benefits	(B)	0	0	0	0	0	0					0
Personal Service Contracts	(CA)	0	0	0	0	0	0					0
Communications	(EB)	0	0	0	0	0	0					0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0					0
Hardware Maintenance	(EE)	0	0	0	0	0	0					0
Software Rent/Lease	(ED)	0	0	0	0	0	0					0
Software Maintenance & Upgrade	(EE)	0	0	0	0	0	0					0
DP Goods/Services	(EL)	0	0	0	0	0	0					0
Goods/Services Not Listed	(E)	0	0	0	0	0	0					0
Travel	(G)	0	0	0	0	0	0					0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0					0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0					0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0					0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0					0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0					0
Software Lease/Purchase	(P)	0	0	0	0	0	0					0
Other (specify)	( )	0	0	0	0	0	0					0
TOTAL DEVELOPMENT		0	0	0	0	0	0	0	0	0	0	0

| Form 3/ Summary, Operations Incremental Cost of Project | | Agency | Agency Name | | Project Option | Project Title |

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		FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	GRAND TOTAL
OPERATIONS INCREMENTAL COSTS OF PROJECT (Per Form 4 - Column C)												
Salaries and Wages	(A)	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits	(B)	0	0	0	0	0	0	0	0	0	0	0
Personal Service Contracts	(CA)	0	0	0	0	0	0	0	0	0	0	0
Communications	(EB)	0	0	0	0	0	0	0	0	0	0	0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgrade	(EE)	0	0	0	0	0	0	0	0	0	0	0
DP Goods/Services	(EL)	0	0	0	0	0	0	0	0	0	0	0
Goods/Services Not Listed	(E)	0	0	0	0	0	0	0	0	0	0	0
Travel	(G)	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0
Other (specify)	( )	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATIONS		0	0	0	0	0	0	0	0	0	0	0
TOTAL OUTFLOWS		0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE COSTS		0	0	0	0	0	0	0	0	0	0	

(1) Total Outflows the sum of Fiscal Total Operations and Total Development from Form 2.
(2) Total Outflows carried to Form 1

Form 4/ Current versus Proposed Method Operations Costs   Agency Agency Name   Project Option Project Title

31-May-96

Suggested Format

OPERATIONS COSTS	Obj. Codes	FY 1997 (a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	FY 1998 (a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	FY 1999 (a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	FY 2000 (a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)	FY 2001 (a) Current	(b) Project	(c) = (b)-(a) Incremental Effect of Project (to summary)
Salaries and Wages	(A)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits	(B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Service Contracts	(CA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Communications	(EB)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgrade	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DP Goods/Services	(EL)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Goods/Services Not Listed	(E)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Travel	(G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (specify)	( )	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION COSTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FTEs				0			0			0			0			0

Form 4 (cont.)		FY 2002			FY 2003			FY 2004			FY 2005			FY 2006		
				(c) = (b)-(a) Incremental Effect of Project			(c) = (b)-(a) Incremental Effect of Project			(c) = (b)-(a) Incremental Effect of Project			(c) = (b)-(a) Incremental Effect of Project			(c) = (b)-(a) Incremental Effect of Project
OPERATIONS COSTS	Obj. Codes	(a) Current	(b) Project	(to summary)	(a) Current	(b) Project	(to summary)	(a) Current	(b) Project	(to summary)	(a) Current	(b) Project	(to summary)	(a) Current	(b) Project	(to summary)
Salaries and Wages	(A)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits	(B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Service Contracts	(CA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Communications	(EB)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgrade	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIS Goods/Services	(EL)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Goods/Services Not Listed	(E)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Travel	(G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (specify)	( )	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION COSTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FTEs				0			0			0			0			0

(1) FY__ Column (c) for each Cost Code carried to Form 3

						BENEFITS							
TANGIBLE BENEFITS	**OFM** **Object Codes**	**FY** **1997**	**FY** **1998**	**FY** **1999**	**FY** **2000**	**FY** **2001**	**FY** **2002**	**FY** **2003**	**FY** **2004**	**FY** **2005**	**FY** **2006**	**TOTAL**	
Hard $													
Revenues (specify)	(revenue codes)	0	0	0	0	0	0						0
													0
													0
													0
Reimbursements (specify)	(object codes)	0	0	0	0	0	0						0
													0
													0
													0
Cost Reduction (specify) (1)	(object codes)	0	0	0	0	0	0						0
													0
													0
													0
Other (specify)	(object codes)	0	0	0	0	0	0						0
													0
													0
													0
Soft $ **Cost Avoidance (specify)**	(object codes)	0	0	0	0	0	0						0
													0
													0
													0
Other (specify)	(object codes)	0	0	0	0	0	0						0
													0
													0
													0
TOTAL INFLOWS		0	0	0	0	0	0	0	0	0	0		0
CUMULATIVE BENEFITS			0	0	0	0	0	0	0	0	0		

Form 5/ Benefits Cash Flow Analysis   **Agency** Agency Name   **Project Option** Project Title

31-May-96

Suggested Format

(1) Reflect all Cost Reduction Benefits except Operations reductions (which are reflected in Cost of Operations).

(2) Total Inflows carries to Form1